

Testimony of

Christina Corieri

Before the

Senate Committee on Homeland Security and Governmental Affairs

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The Honorable Ron Johnson, Chairman
Senate Committee on Homeland Security and Governmental Affairs
340 Dirksen Senate Office Building
Washington, DC, 20510

The Honorable Thomas R. Carper, Ranking Member
Senate Committee on Homeland Security and Governmental Affairs
340 Dirksen Senate Office Building
Washington, DC, 20510

Dear Chairman Johnson, Ranking Member Carper, Members of the Senate Homeland Security and Governmental Affairs Committee:

As you consider testimony regarding the state of health insurance markets, I would like to submit for your consideration, brief comments on the impact that we have seen in Arizona.

The Patient Protection and Affordable Care Act, commonly referred to as Obamacare, has created an extremely unstable market in Arizona. When the Obamacare marketplaces were first rolled out, President Obama promised that individuals would “find more choices, more competition, and in many cases, lower prices.” Unfortunately for Arizonans, none of those promises have materialized.

In 2013, before the opening of the exchanges, Arizona had 24 insurance companies selling plans on the individual market. In 2017, consumers who shop for plans on the exchange in Arizona will have only one option for their plan. In reality, choosing between a single insurance plan, or being financially penalized by the federal government for not purchasing a plan, is not a true choice and it is certainly not the choice and competition that was promised to consumers by the president. I want to personally commend Senators McCain and Flake for their effort to pass legislation that would at least insulate individuals who have no choice from being financially penalized for the failings of the system.

Unfortunately, it is not just the choice of insurance plans that has decreased as a result of Obamacare. Choice within those plans has also decreased as insurers have narrowed their networks to protect themselves from further losses. And as we all know, when choice decreases, costs increase. Consumers on the exchange in Arizona will see an average increase in 2017 of 49%. While many people who receive subsidies will be insulated from those increases, enrollees who do not receive a subsidy may find that the steep increases are unaffordable. We know for certain that these are not the lower prices that Americans were told they could expect.

Even more concerning for Arizona, there was a time when it appeared that Pinal County would be the first county in the country without a single insurer willing to offer a plan on the exchange. While Blue Cross Blue Shield has recently decided to offer a plan there at a 50% premium increase, it is only a matter of time until another county faces the prospect of being without an insurer on the exchange. The situation that Pinal County faced illustrates that Obamacare is

broken, its promises have failed to materialize, and it is time for Congress to return to the drawing board to fix it.

Sincerely,

Christina Corieri
Senior Policy Advisor to Arizona Governor Doug Ducey